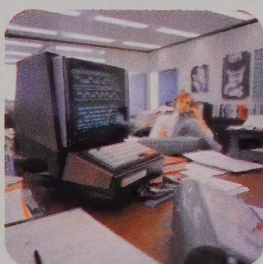
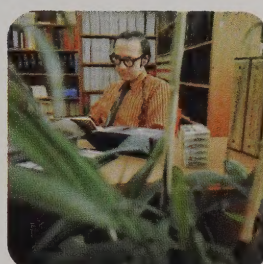


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ManuLife

86th annual report 1972 The Manufacturers Life Insurance Company



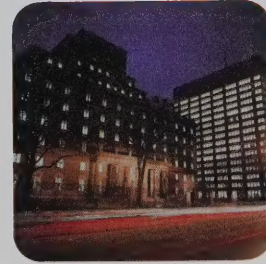
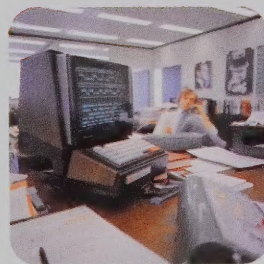
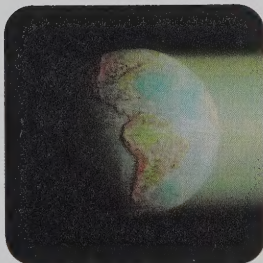
financial statement



ManuLife

The Manufacturers Life Insurance Company

1972 in review







The Manufacturers Life Insurance Company

86th Annual Report 1972

financial statement

presented at the
annual meeting
of the company
on thursday,
february 15, 1973
toronto, canada



board of directors

A. T. SEEDHOUSE

Chairman of the Board

E. S. JACKSON

President

C. F. H. CARSON, Q.C., LL.D.

Tilley, Carson & Findlay

R. E. CROSS

*Cross, Wrock, Miller & Vieson
Detroit*

J. S. DEWAR

*President,
Union Carbide Canada Limited*

L. Y. FORTIER

*Ogilvy, Cope, Porteous, Hansard, Marler,
Montgomery & Renault
Montreal*

G. L. HOLMES, A.I.A., F.S.A., F.C.I.A.

J. W. KERR

*Chairman and Chief Executive Officer
TransCanada PipeLines Limited*

SENATOR E. C. MANNING, P.C., C.C., LL.D.

President

*M & M Systems Research Limited
Edmonton*

K. G. McNAB

A. D. NESBITT, O.B.E., D.F.C.

*Chairman of the Board
Nesbitt, Thomson and Company Limited
Montreal*

G. N. QUIGLEY, JR., C.L.U.

Los Angeles

G. WILLIAMS

*President and General Manager
The Procter & Gamble Company of Canada Limited*

highlights of the last 10 years

	(000's Omitted)			
	1972	1971	1970	1969
New Business Issued	\$ 1,613,623	\$ 1,357,672	\$1,266,500	\$1,152,323
Business in Force	10,627,492	10,066,066	9,258,679	8,470,226
Assets	2,348,210	2,184,474	2,036,223	1,912,507
Income	480,069	395,572	350,495	329,190
Payments to Policyholders and Beneficiaries	170,519	165,948	158,962	153,762
Provision for Dividends to Policyholders	30,044	29,710	25,608	23,561
Contingency Reserve	27,500	27,500	27,500	27,500
Surplus	147,116	139,838	136,232	125,730
Net Interest Rate	6.34%	6.42%	6.40%	6.21%

executive officers

E. S. JACKSON
President

A. T. SEEDHOUSE
Chairman of the Board

R. B. LECKIE, F.S.A., F.C.I.A.
Vice President

J. M. ROBERTSON, C.L.U.
Vice President

D. R. MACLEOD, F.S.A., F.C.I.A.
Vice President

J. L. DAVIN
Vice President

E. M. HYMAN
Vice President

T. L. TAYLOR
Vice President

N. T. SHEPPARD
Vice President

L. S. DAVIS
Financial Vice President

H. A. RAPSEY, F.L.M.I.
Financial Vice President

J. A. MACDONALD
Financial Vice President

H. E. WANLESS
Financial Vice President

D. J. BREITHAUPT, M.D., D.P.H., F.R.C.P.(C)
Medical Vice President

E. H. MCVITTY
Legal Vice President & Secretary

1968	1967	1966	1965	1964	1963
\$1,055,829	\$1,021,310	\$1,012,408	\$ 869,921	\$ 791,721	\$ 726,870
7,776,460	7,080,210	6,387,225	5,723,245	5,218,506	4,764,525
1,834,934	1,725,862	1,609,478	1,498,279	1,375,006	1,255,617
311,530	288,510	270,310	265,046	248,492	227,771
138,262	127,817	112,077	104,076	94,695	84,854
21,766	18,494	17,039	15,842	14,686	13,707
27,500	25,000	25,000	25,000	25,000	25,000
124,124	112,820	102,178	91,742	81,315	73,073
6.21%	6.08%	5.96%	5.90%	5.79%	5.72%

NOTE: The comparative figures for 1971 and prior years include South Africa.
See accompanying notes to the balance sheet.

The Directors have pleasure in presenting their 86th Annual Report together with the Financial Statement, for the year ended December 31, 1972, and the Report thereon received from the Auditors.

LIFE INSURANCE

For many years past, the amount of new business sold each year has been substantially in excess of that for the previous year. This is again true, with the total for 1972 being \$1,613,623,000, an increase of 25.2% (see footnote) over the previous year. The 1972 total consisted of \$1,176,174,000 in individual life insurance policies, being an increase of 20.2% over 1971, and \$437,449,000 in Group Life, being an increase of 41% over 1971.

The business in force increased by \$1,053,958,000 to a total of \$10,627,492,000. This total is the net amount in force after the transfer of \$464,038,000 to the Liberty Life Association of Africa, Ltd., and a reduction of \$28,494,000 due to changes in the rates at which certain currencies are translated into Canadian dollars.

ANNUITIES

Individual Annuity contracts in force at the end of the year will provide for annual payments to annuitants of \$70,257,000 of which \$12,969,000 represents contracts issued in 1972. Group Annuities in force provide for an additional \$94,331,000 to be paid annually to annuitants under group contracts, of which \$2,937,000 was added in 1972. New business under individual contracts increased by 55%. Under group contracts new business decreased by 17%, reflecting a growing interest in the use of Segregated Funds as an alternative pension funding medium.

SEGREGATED FUNDS

Amounts received for investment in Segregated Funds was \$53,956,000. The total now invested in these funds is \$98,078,000, an increase of \$70,938,000 over 1971.

INCOME

Total income during the year was \$480,069,000. Premium Income for Life, Disability and Annuity policies amounted to \$273,838,000, an increase of 13.1%. Segregated Funds deposits

amounted to \$53,956,000, Net Investment Income to \$134,005,000 and all other income to \$18,270,000.

PAYMENTS UNDER POLICY CONTRACTS

Payments on existing, matured and surrendered policies, etc. were \$117,575,000 including \$26,629,000 in dividends to participating policyholders and \$42,645,000 in annuity payments. Death Claims amounted to \$48,135,000. The rate of mortality was slightly lower in 1972 than in 1971.

ASSETS

The assets of the Company amounted to \$2,348,210,000, an increase of \$231,884,000. The net rate of interest earned was 6.34%, a reduction from 6.42% in 1971 due to increased emphasis on investment in common stocks and real estate. The smaller increase in investment income has been compensated for by increased capital appreciation, a portion of which (\$2,094,000) has been taken into the Income Account.

RESERVES, LIABILITIES AND SURPLUS

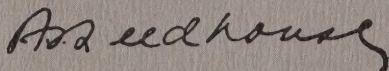
Insurance and Annuity Reserves amount to \$1,840,609,000 and the Provision for Dividends to Policyholders to \$30,044,000. After providing for these and all other liabilities, the Contingency Reserve remains at \$27,500,000 and the Surplus increased by \$7,278,000 to \$147,116,000.

At the close of the year, the Directors accepted with regret the resignation, due to ill health, of Mr. G. B. Beatty who had given 21 years of valued and effective service to the Board.

The extensive reorganization of the Company in both Head Office and the field has started to yield satisfactory results in expense control while maintaining a good rate of expansion in new business and a high level of service to clients.

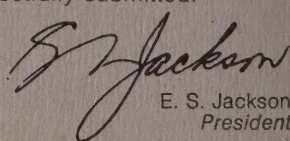
These important developments may fairly be attributed to the loyalty and devotion of every member of the organization in the field, in the Branch Offices, and in the Head Office. To all of them, the Directors offer their sincere thanks.

All of which is respectfully submitted.



A. T. Seedhouse
Chairman of the Board

Toronto, January 26, 1973.

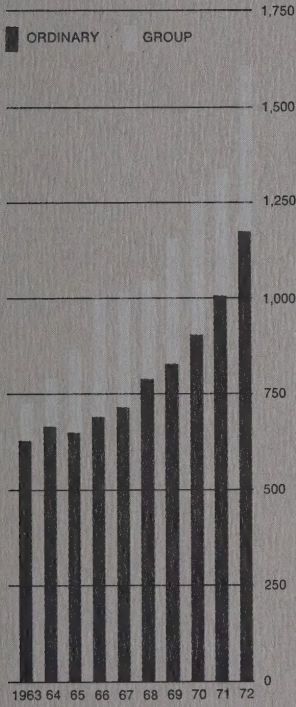


E. S. Jackson
President

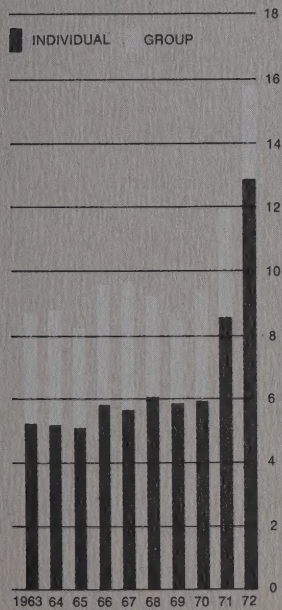
NOTE: Recommendations by a South African Government Commission that the Life Insurance business in that country be under domestic incorporation resulted in a decision to transfer for value to the Liberty Life Association of Africa Ltd. our business in force in South Africa. This transaction became effective as of January 1, 1972. Results shown above for 1972 do not include any contribution from the South African organization. Any 1971 figure quoted above (except the 1971 net rate of interest) for comparative purposes has been adjusted to remove the South African component, and thus permit a more meaningful comparison.

The Manufacturers Life Insurance Company

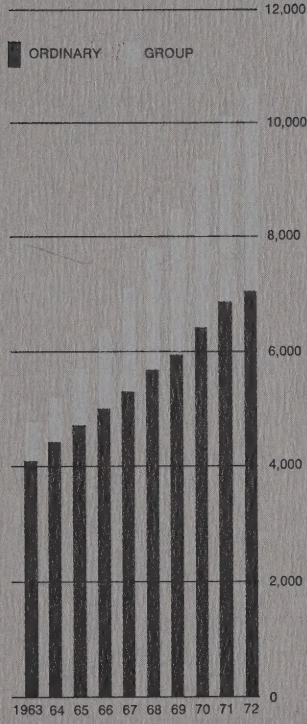
**INSURANCE
NEW BUSINESS**
millions of dollars



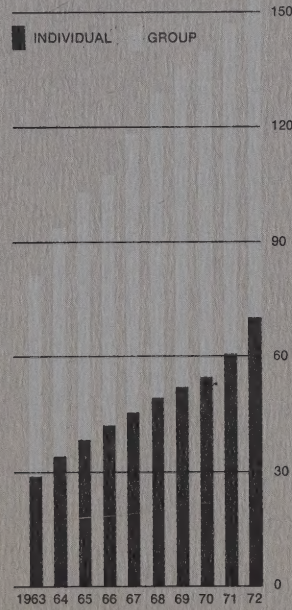
**ANNUITIES
NEW BUSINESS**
millions of dollars



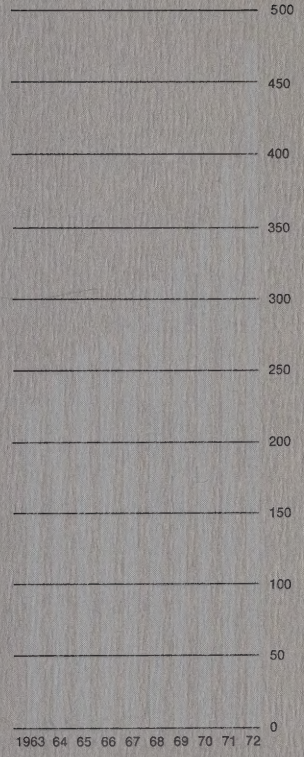
**INSURANCE
BUSINESS IN FORCE**
millions of dollars



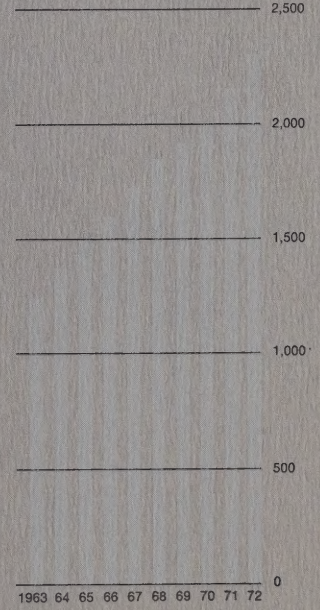
**ANNUITIES
IN FORCE**
millions of dollars



INCOME
millions of dollars



ASSETS
millions of dollars



auditors' report to the directors and the policyholders

We have examined the balance sheet of The Manufacturers Life Insurance Company as at December 31, 1972 and the income account for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances; insurance and annuity reserves and other actuarial liabilities were determined and certified by the Company's Actuary.

In our opinion, based on our examination and the certificate of the Company's Actuary, these financial statements present fairly the financial position of the Company as at December 31, 1972 and the results of its operations for the year then ended in accordance with accounting practices prescribed or permitted by the Department of Insurance of Canada.

Clarkson, Gordon & Co.

Toronto, Canada, January 24, 1973. *Chartered Accountants*

actuary's certificate to the directors and the policyholders

The insurance and annuity reserves and other actuarial liabilities have been computed in accordance with the provisions of the Canadian and British Insurance Companies Act and, in my opinion, make good and sufficient provision for all obligations of the Company guaranteed under the terms of its contracts.

N. E. Henricks

Toronto, Canada, January 19, 1973. *N. E. Henricks, F.S.A., F.C.I.A.
Actuary*

for the year ended december 31, 1972

INCOME

	1972	1971
Insurance and Annuity Premiums	\$273,838,000	\$251,125,000
Amounts Received for Segregated Investment Funds	53,956,000	7,768,000
Investment Income less Investment Expenses	134,005,000	129,710,000
Net Profit on Investment Transactions in excess of Adjustment in Asset Values	2,094,000	1,800,000
Net Realized and Unrealized Capital Gains on Segregated Funds' Investments	12,440,000	1,664,000
Other	3,736,000	3,505,000
	<u>\$480,069,000</u>	<u>\$395,572,000</u>

DISPOSITION OF INCOME

For Policyholders and Beneficiaries:

Death Benefits	\$ 48,135,000	\$ 48,472,000
Matured Policies, Surrender Values and Transfer	47,719,000	49,006,000
Annuity Payments	42,645,000	38,356,000
Disability Benefits	582,000	433,000
Dividends	26,629,000	24,714,000
Additions to Policy Funds to provide for future payments to Policyholders and Beneficiaries	142,714,000	124,878,000
Increase in Segregated Funds' Liabilities	70,825,000	13,462,000
Interest Credited to Amounts on Deposit	6,179,000	5,770,000
Payments under Settlement Annuities and Other Disbursements	4,809,000	4,967,000
	<u>\$390,237,000</u>	<u>\$310,058,000</u>
Commissions	23,350,000	20,896,000
Operating Expenses	43,418,000	43,536,000
Taxes	11,362,000	15,271,000
Interest Credited to Company Retirement Plans	2,424,000	2,205,000
Contributions to Company Retirement Plans related to past service	2,000,000	—
Increase in Surplus	7,278,000	3,606,000
	<u>\$480,069,000</u>	<u>\$395,572,000</u>

See accompanying notes to the balance sheet.

as at december 31, 1972

ASSETS	1972	1971 (Restated)
BONDS	\$ 908,617,000	\$ 801,927,000
PREFERRED STOCKS	68,968,000	76,681,000
COMMON STOCKS	172,645,000	145,515,000
MORTGAGES	592,816,000	613,711,000
REAL ESTATE HELD FOR INVESTMENT	278,557,000	240,073,000
OFFICE PREMISES	22,155,000	20,767,000
LOANS ON POLICIES	140,491,000	133,741,000
Loans made to policyholders on the security of their policies in accordance with the provisions of their policy contracts.		
SEGREGATED FUNDS' INVESTMENTS	98,078,000	27,140,000
INVESTMENT INCOME ACCRUED	27,125,000	23,859,000
OUTSTANDING PREMIUMS	11,086,000	13,763,000
CASH	27,672,000	19,149,000

NOTES: Sterling currency items are translated into Canadian Dollars at \$2.60 and United States Dollar items are translated at \$1.00. If rates of exchange at December 31, 1972 had been used the surplus as shown would have been increased.

Bonds and stocks are carried in the accounts at cost or less (except for Segregated Funds' Investments which are carried at market value) and, as at December 31, 1972 the value permitted by Canadian insurance law is in excess of these carrying values.

Effective January 1, 1972 the life insurance business of the Company in South Africa was transferred to Liberty Life Association of Africa Limited in consideration for common shares in that company. The 1971 comparative balance sheet figures (but not the income account figures) have been restated to reflect this transfer. This restatement results in the assets and liabilities each being reduced by \$68,148,000.

<u>\$2,348,210,000</u>	<u>\$2,116,326,000</u>
------------------------	------------------------

A. T. Seedhouse
Chairman of the Board

E. S. Jackson
President

LIABILITIES

	1972	1971 (Restated)
INSURANCE AND ANNUITY RESERVES The actuarial liabilities of the Company in respect to its insurance and annuity contracts	\$1,840,609,000	\$1,702,203,000
POLICY BENEFITS IN COURSE OF PAYMENT AND PROVISION FOR UNREPORTED CLAIMS	16,076,000	17,513,000
AMOUNTS ON DEPOSIT Policy proceeds, dividends and other amounts left on deposit with the Company by policyholders and beneficiaries and accrued interest thereon	111,628,000	103,242,000
PROVISION FOR DIVIDENDS TO POLICYHOLDERS Policyholders' dividends to be paid during 1973	30,044,000	28,255,000
OTHER LIABILITIES TO POLICYHOLDERS Miscellaneous credits to policyholders' accounts	6,639,000	6,775,000
COMPANY RETIREMENT PLANS The amounts held by the Company for pensions and disability benefits to employees and agents together with the accumulation of employee contributions (including \$58,000, 1972; nil, 1971 held in Segregated Funds)	55,627,000	49,765,000
MISCELLANEOUS LIABILITIES Amounts received but not yet allocated, accrued taxes and expenses, mortgagors' tax prepayments, etc.	15,113,000	14,202,000
SEGREGATED FUNDS' LIABILITIES	97,858,000	27,033,000
CONTINGENCY RESERVE	27,500,000	27,500,000
SURPLUS (Including surplus invested in Segregated Funds of \$162,000, 1972; \$107,000, 1971)	147,116,000	139,838,000
	<u>\$2,348,210,000</u>	<u>\$2,116,326,000</u>



for the year ended december 31, 1972

Business in Force as at December 31, 1971 (Note)	\$ 9,573,534,000
New Business Issued	\$1,613,623,000
Business Reinstated	209,507,000
Business Increased (Net)	260,284,000
Total Increase	\$2,083,414,000
Business terminated by death, maturity of endowment or term	\$ 68,435,000
Business Lapsed	781,290,000
Business Surrendered	179,731,000
Total Decrease	\$1,029,456,000
Net Increase	1,053,958,000
Business in Force as at December 31, 1972	<u>\$10,627,492,000</u>

NOTE: The business in force at December 31, 1971 has been decreased by \$492,532,000 to (1) exclude \$464,038,000 of business in force in South Africa transferred to Liberty Life Association of Africa Limited, and (2) reflect the reduction in business in force of \$28,494,000 due to changes in the rates at which Israeli Pounds, Bermuda Dollars and Bahamas Dollars are translated into Canadian Dollars.

1972

	Group	Individual	Total
United States	\$ 324,875,675	\$ 640,024,944	\$ 964,900,619
Canada	105,866,534	288,337,849	394,204,383
United Kingdom	290,363	137,834,215	138,124,578
West Indies	4,052,305	58,240,742	62,293,047
Hong Kong	1,671,063	22,853,561	24,524,624
Philippines	692,832	20,379,770	21,072,602
Other	—	8,502,865	8,502,865
TOTAL	<u>\$ 437,448,772</u>	<u>\$1,176,173,946</u>	<u>\$ 1,613,622,718</u>

december 31, 1972

United States	\$2,195,575,018	\$3,391,893,969	\$ 5,587,468,987
Canada	1,323,800,574	2,219,095,627	3,542,896,201
United Kingdom	10,682,775	749,235,020	759,917,795
West Indies	16,981,640	280,891,400	297,873,040
Hong Kong	36,583,518	105,777,913	142,361,431
Philippines	5,496,398	65,810,008	71,306,406
Israel	5,069,512	68,055,752	73,125,264
Other	1,074,630	151,468,661	152,543,291
TOTAL	<u>\$3,595,264,065</u>	<u>\$ 7,032,228,350</u>	<u>\$10,627,492,415</u>

1972

For the amount of annual income guaranteed,
either immediate or deferred.

	Group	Individual	Total
Canada	\$ 2,362,633	\$ 9,069,385	\$ 11,432,018
United States	517,554	3,235,887	3,753,441
United Kingdom	590,182	590,182	590,182
Other	56,595	73,334	129,929
TOTAL	<u>\$ 2,936,782</u>	<u>\$ 12,968,788</u>	<u>\$ 15,905,570</u>

december 31, 1972

For the amount of annual income guaranteed,
either immediate or deferred.

Canada	\$ 68,157,986	\$ 27,959,904	\$ 96,117,890
United States	21,094,298	37,091,715	58,186,013
United Kingdom	1,369,899	4,054,155	5,424,054
Other	3,709,006	1,151,063	4,860,069
TOTAL	<u>\$ 94,331,189</u>	<u>\$ 70,256,837</u>	<u>\$ 164,588,026</u>

1972

By Category and By Currency in Canadian \$ Equivalents as at December 31, 1972 (000's omitted)

CURRENCY: CANADIAN \$			U.S. \$		£ STERLING	
Category	Amount	% by Category	Amount	% by Category	Amount	% by Category
Bonds	388,125	39.2	395,089	46.9	97,345	58.2
Preferred Stocks	6,619	0.7	61,590	7.3	650	0.4
Common Stocks	69,381	7.0	69,278	8.2	24,099	14.4
Mortgages	300,328	30.4	268,630	31.8	18,583	11.1
Real Estate	224,697	22.7	49,158	5.8	26,648	15.9
	<u>989,150</u>	<u>100.0</u>	<u>843,745</u>	<u>100.0</u>	<u>167,325</u>	<u>100.0</u>
CURRENCY: OTHER			TOTAL			
Category	Amount	% by Category	Amount	% by Category	% by Currency	
Bonds	28,058	64.4	908,617	44.5		
Preferred Stocks	109	0.3	68,968	3.4	Canadian \$	48.4%
Common Stocks	9,887	22.7	172,645	8.4	United States \$	41.3%
Mortgages	5,275	12.1	592,816	29.0	£ Sterling	8.2%
Real Estate	209	0.5	300,712	14.7	Other	2.1%
	<u>43,538</u>	<u>100.0</u>	<u>2,043,758</u>	<u>100.0</u>	Total	<u>100.0%</u>

at market values as at december 31, 1972

	1972	1971 (Restated)
Bonds	\$ 13,184,000	\$ 4,491,000
Preferred Stocks	5,263,000	1,119,000
Common Stocks	73,697,000	19,898,000
Cash	8,171,000	2,537,000
Investment Income Accrued	169,000	102,000
	<u>\$100,484,000</u>	<u>\$28,147,000</u>
Less: Amounts owing to investment brokers and other current liabilities	<u>2,406,000</u>	<u>1,007,000</u>
	<u>\$ 98,078,000</u>	<u>\$27,140,000</u>

NOTE: The 1971 comparative figures in this schedule have been restated to reflect the transfer of \$346,000 in investments to Liberty Life Association of Africa Limited effective January 1, 1972.

CANADA

B.C. Interior	Suite 201, 1583 Ellis St., Kelowna, B.C.	F. K. Clarke, Branch Manager
Calgary North	Suite 950, 550-6th Ave. S.W., Calgary, Alta. T2P OS2	P. L. Williams, Branch Manager
Calgary South	Suite 560, 3 Calgary Place, 355-4th Ave. S.W., Calgary, Alta. T2P QJ1	J. W. Glans, CLU, Branch Manager
Central Ontario	Suite 501, Bell Tower, Oshawa Centre, Oshawa, Ont.	D. R. Hildreth, Branch Manager
Edmonton, Alta. T5J OH3	926 Centennial Bldg., 10015-103rd Ave.	A. L. Andrews, CLU, Branch Manager
Halifax, N.S.	P.O. Box 457, 6024 Quinpool Rd.	L. T. Goucher, CLU, Branch Manager
Hamilton 10, Ont.	P.O. Box 560, 20 Jackson St. West	J. M. Kosiancic, Branch Manager
Kingston, Ont. K7L 1G1	797 Princess St., Suite 306	J. A. Scott, CLU, Branch Manager
Kitchener-Waterloo	Suite 217, Westmount Place, 50 Westmount Rd. North, Waterloo, Ont.	R. B. Aubrey, CLU, Branch Manager
London 12, Ont.	P.O. Box 3383, Terminal "A", Toronto-Dominion Bank Bldg., Richmond & King Sts.	F. W. Grant, CLU, Branch Manager
Newfoundland	P.O. Box 5520, Royal Trust Bldg., 7th Floor, Water St., St. John's, Nfld.	O. G. L. Antle, Branch Manager
Northern Ontario	127 Cedar St., Suite 602, Sudbury, Ont.	J. B. Allan, Branch Manager
Ottawa, Ont. K1P 5E3	Suite 305, 131-151 Sparks St.	J. S. Phillips, CLU, Branch Manager
Prince George, B.C.	P.O. Box 1060, 1388-7th Ave.	W. R. Hobbs, Branch Manager
Principal Office for Quebec	1140 DeMaisonneuve Blvd. West, 9th Floor, Montreal 110, Que.	Assistant Vice-President, J. A. Y. Habel Secretary, G. Lemelin
Branches:		
Montreal Brokerage Development	1140 DeMaisonneuve Blvd. West, 9th Floor, Montreal 110, Que.	G. J. Mullie, CLU, Brok. Manager
Montreal Parc	Suite 924, 50 Place Cremazie, Montreal 351, Que.	R. Cartier, Branch Manager
Montreal St. Catherine	9th Floor, 2015 Peel St., Montreal 110, Que.	A. L. Townsend, Branch Manager
Montreal St. James	Suite 1660, 630 Dorchester Blvd. West, Montreal 101, Que.	Robert Perrier, CLU, Branch Manager
Montreal University	4th Floor, 2015 Peel St., Montreal 110, Que.	D. R. Congram, Branch Manager
Quebec 4, Que.	Suite 1901, 800 Place d'Youville	J. Landry, Branch Manager
Sherbrooke, Que.	Suite 604, 25 Wellington St. North	J. M. Sarasin, Branch Manager
Regina, Sask. S4P 2Y8	1670 Avord Tower, 2002 Victoria Ave.	F. A. Roy, Branch Manager
Prince John, N.B.	P.O. Box 577, 3rd Floor, 53 King St.	G. D. MacKenzie, CLU, Br. Manager
Saskatoon, Sask. S7K OB8	Suite 1004, Canadian Imperial Bank of Commerce Bldg., 201-21st St. East	J. Harvey, Branch Manager
Toronto Bay	Suite 1306, National Trust Bldg., 7 King St. East, Toronto 210, Ont.	W. R. Craib, CLU, Branch Manager
Toronto Bayview	Suite 201, 6 Lansing Sq., Willowdale, Ont.	G. T. Dick, Acting Branch Manager
Toronto Central	7th Floor, 20 Toronto St., Toronto 210, Ont.	H. K. Balfour, CLU, Branch Manager
Toronto North	Suite 1200, 95 St. Clair Ave. West, Toronto 195, Ont.	J. M. McRoberts, Branch Manager
Toronto Special Services	Suite 201, 250 Bloor St. East, Toronto 285, Ont.	J. E. Kerns, CLU, Branch Manager
Toronto Thorncliffe	25 Overlea Blvd., Unit 6, Toronto 354, Ont.	P. E. Leonard, Branch Manager
Toronto University	Suite 504, 250 Bloor St. East, Toronto 285, Ont.	R. A. Fraser, Branch Manager
Toronto York	Suite 1202, 101 Richmond St. West, Toronto 110, Ont.	A. L. Fagan, Branch Manager
Vancouver 1, B.C.	Suite 2050, Guinness Tower, 1055 West Hastings St.	C. B. Bertram, CLU, Branch Manager
Vancouver Burrard	905 West Pender St., Vancouver 1, B.C.	G. B. Gauer, Branch Manager
Windsor 12, Ont.	500 Riverside Dr. West, Canada Square	J. Osborne, CLU, Branch Manager
Winnipeg East	1224 Richardson Bldg., One Lombard Place, Winnipeg, Man. R3B 0X3	M. Lomow, CLU, Branch Manager
Winnipeg West	305 Dayton Bldg., Winnipeg, Man. R3B 2C2	R. E. Henderson, CLU, Branch Manager

Central Service Offices

British Columbia	Suite 740, 777 Hornby St., Vancouver 1, B.C.	A. W. Laidlaw, Manager
Toronto	Suite 501, 250 Bloor St. East, Toronto 285, Ont.	J. Wagstaffe, Secretary

UNITED STATES

Atlanta, Ga. 30303	Suite 1414, First National Bank Tower, 2 Peachtree St.	R. E. Penny, Jr., CLU, Branch Manager
Baltimore, Md. 21201	8th Floor, One Charles Center	P. W. Schall, Jr., Branch Manager
Boston, Mass. 02108	10th Floor, One Washington Mall	W. W. Feniman, CLU, Branch Manager
Chicago Loop	Brunswick Bldg., 69 West Washington St., Chicago, Ill. 60602	E. H. Chapman, Jr., CLU, Br. Manager
Cincinnati, Ohio. 45202	Suite 960, Formica Bldg., 100 East Fourth St.	K. J. Schulteis, Branch Manager
Cleveland, Ohio. 44115	Suite 902, Hanna Bldg., 1422 Euclid Ave.	J. O'Rourke, CLU, Branch Manager
Columbus, Ohio. 43215	Room 300, 150 E. Broad St.	R. E. Grace, Branch Manager
Dallas, Texas. 75204	Suite 350, 2731 Lemmon Ave. East	
Dayton, Ohio. 45402	Suite 1212, Grant Deneau Tower, 40 West Fourth St.	H. J. Brickler, Jr., CLU, Branch Manager
Dearborn Heights, Mich. 28127	8283 North Telegraph Rd.	N. Polasky, Branch Manager
Denver, Colo. 80210	Suite 711, Executive Club Bldg., 1776 S. Jackson St.	J. M. Dowd, Branch Manager
Detroit	One Northfield Plaza, I-75 at Crooks Rd., Troy, Mich. 48084	T. A. Pickett, Jr., Branch Manager
Detroit Uptown	Suite 510, Twin Towers, 26711 Northwestern Hwy., Southfield, Mich. 48076	R. Tebeau, Branch Manager
Grand Rapids, Mich. 49502	Suite 409A, Waters Bldg., 161 Ottawa St. N.W.	H. E. Oostendorp, CLU, Br. Manager
Greensboro, N.C. 27408	Suite 201, Friendly Center Bldg., 600 Green Valley Rd.	D. B. Cole, CLU, Branch Manager
Hartford, Conn. 06105	170 Sigourney St.	H. F. Burr, Jr., Branch Manager
Hawaii	Suite 1600, Hawaii Bldg. - Amfac Center, 745 Fort St., Honolulu, Hawaii. 96813	D. P. Desonier, CLU, Branch Manager
Houston, Texas. 77002	Suite 1010, 2100 Travis St.	E. E. Clark, CLU, Branch Manager
Indianapolis, Ind. 46205	P.O. Box 55525, 2021 East 52nd St.	E. H. Brooks, CLU, Branch Manager
Kansas City, Mo. 64199	P.O. Box 13207, Suite 2400, Commerce Tower, 911 Main St.	C. W. Masel, Branch Manager
Los Angeles, Calif. 90010	Suite 500, Ahmanson Center West, 3731 Wilshire Blvd.	A. T. Horton, CLU, Branch Manager
ManEurope	6909 Diehlheim, Postfach 46, Germany	J. E. Walker, European Manager
Miami, Fla. 33131	11th Floor, 1111 South Bayshore Dr.	F. C. Pichler, CLU, Branch Manager
Milwaukee, Wis. 53202	Suite 726, First Wisconsin National Bank Bldg., 735 North Water St.	W. M. Spencer III, CLU, Branch Manager
Minneapolis, Minn. 55435	Suite 178, 6800 France Ave. S.	D. L. Bennett, CLU, Branch Manager
New Orleans, La. 70112	Suite 1430 Annex, Bank of New Orleans Bldg.	L. F. Cornay, III, Brokerage Manager
Newark	288 Main St., Millburn, N.J. 07041	W. Q. Meeker, CLU, Branch Manager
Oklahoma	2000 Classen Blvd., Oklahoma City, Okla. 73106	D. J. Klaassen, Branch Manager
Omaha-Des Moines	Suite 403, 7101 Mercy Rd., Omaha, Neb. 68106	R. P. Outlaw, Branch Manager
Orange County	P.O. Box 1983, Suite 300, 2323 N. Broadway Bldg., Santa Ana, Calif. 92702	J. L. Nix, CLU, Branch Manager

Philadelphia, Pa. 19102	1007 Two Penn Center	L. V. Day, Jr., CLU, Branch Manager
Phoenix, Ariz. 85012	Suite 600, South Tower, Financial Center, 3443 North Central Ave.	R. W. Grange, CLU, Branch Manager
Pittsburgh, Pa. 15222	10th Floor, West Wing, Two Gateway Center	D. P. McMullen, CLU, Branch Manager
Portland, Ore. 97232	Suite 106, Lloyd Plaza, 1425 N.E. Irving St.	G. R. Guest, CLU, Branch Manager
Puerto Rico	P.O. Box 1702, Suite 1025, The Chase Manhattan Bank Bldg., Hato Rey, P.R. 00919	F. Collazo Lopez, Branch Manager
Richmond, Va. 23219	Suite 1222, 700 E. Main St.	J. R. Leininger, Branch Manager
Sacramento, Calif. 95825	P.O. Box 4941, Suite 360, Jamaica Plaza Office, 2233 Watt Ave.	B. F. Knott, Branch Manager
Saginaw, Mich. 48603	Saginaw Office Plaza, 4855 State St.	W. J. Ennest, Branch Manager
Salt Lake City, Utah. 84111	1100 University Club Bldg., 136 East South Temple St.	A. W. Hardy, Branch Manager
San Diego, Calif. 92112	P.O. Box 888, Suite 201, 303 "A" St.	G. D. Driver, CLU, Branch Manager
San Fernando Valley	P.O. Box 547, Suite 900, 16055 Ventura Blvd., Encino, Calif. 91316	J. T. Dunn, CLU, Branch Manager
San Francisco, Calif. 94111	Suite 1814, One Embarcadero Center	D. W. Heatherington, CLU, Br. Manager
Seattle, Wash. 98101	610 Skinner Bldg.	E. A. Nixon, CLU, Branch Manager
St. Louis, Mo. 63101	Suite 1014, Executive Office Bldg., 515 Olive St.	R. J. Dolan, Branch Manager
Toledo, Ohio. 43624	1720 Jefferson Ave.	L. Brown, III, Branch Manager
Washington, D.C. 20036	Suite 310, 1140 Connecticut Ave. N.W.	J. P. White, CLU, Branch Manager

UNITED KINGDOM

Chief Office	197 Knightsbridge, London SW7 1RR	A. J. Gale, FIA, Senior Vice-President J. E. Clark FLMI, General Manager R. P. Dell, FIA, Sec.-Compt. J. R. Fry, FIA, Actuary M. J. Kershaw, Investment Manager J. McC. Irwin, ACII, Branch Manager L. R. B. Greenhaigh, Branch Manager K. R. Donald, Branch Manager D. N. Markham, Branch Manager D. Farrar, Branch Manager J. B. R. Battle, Branch Manager C. D. Nicol, Branch Manager L. G. Lee, Branch Manager A. Finnigan, Branch Manager
Belfast BT2 8AA	Yorkshire House, 5 Linenhall St.	F. Taylor, Reg. Manager
Birmingham B5 4LJ	Norfolk House, Smallbrook Queensway	
Bournemouth BH1 3LS	Royal London House, Lansdowne	
Brighton BN1 6AF	157/159 Preston Rd.	
Bristol BS1 3NL	Priory House, Marlborough Street	
Cardiff CF1 9LJ	28 Cathedral Rd.	
Glasgow G1 2NX	54 West Nile St.	
Ipswich IP1 1JP	Midland House, Franciscan Way	
Leeds LS6 2AD	Liverpool Victoria House, 8 Otley R., Headingley	
East Midlands		
Leicester	Halford House, Charles Street, Leicester LE1 1HB	
Nottingham	Newton House, Maid Marian Way, Nottingham NG1 6GG	
Liverpool L3 9QY	Richmond House, 1 Rumford Pl.	R. A. O'Driscoll, Branch Manager
London		
City	10th Floor, Moor House, London Wall, London EC2Y 5ET	H. C. Ackroyd, ACII, Branch Manager
Ilford	Wentworth House, 350 Eastern Ave., Grants Hill, Ilford, Essex	J. D. Dwyer, Branch Manager
Streatham	Norwich House, 9-11 Streatham High Rd., London SW16 1EA	R. B. Easton, ACII, Branch Manager
Manchester	Six Acre House, 17 Town Sq., Sale, Cheshire M33 1XZ	B. F. J. Beard, Branch Manager
Newcastle	Northern Rock House, Regent Farm Rd., Gosforth, Newcastle-upon-Tyne NE3 4PF	J. Fletcher, Branch Manager
Oxford OX2 7DE	Mayfield House, 256 Banbury Rd.	K. P. Charman, Branch Manager
Plymouth PL1 1HZ	Abbey House, Armada Way	W. R. Bayliss, Branch Manager
Portsmouth PO2 9DP	176 London Rd., North End	J. W. Cowling, Branch Manager
Reading RG1 4LJ	Norman House, 201 Kings Rd.	J. D. M. Dalton, Branch Manager
Sheffield S1 2EY	St. James House, Vicar Lane	J. B. H. Grundy, Branch Manager
Southampton SO2 OAB	Clifford House, New Rd.	D. Pollard, Branch Manager

FIELDS ABROAD

Hong Kong	P.O. Box 201	D. A. C. T. Hancock, CLU, Branch Manager
The Philippines	P.O. Box 2290, Central Post Office, Manila	R. J. Morris, Manager for the Philippines

WEST INDIES

Barbados and the Islands	P.O. Box 144, Canadian Imperial Bank of Commerce Bldg., Broad St., Bridgetown	P. de Verteille, Branch Manager
Bermuda	P.O. Box 1259, Suite 205, International Centre, Hamilton	R. A. D. Pengelly, District Manager
Jamaica	34 Duke St., Kingston - Island Life Ins. Co. Ltd., (subsidiary of Manufacturers Life)	O. E. Jones, CLU, President & Agency Officer
Surinam	P.O. Box 1392, Watermolenstraat 43, Paramaribo	A. Hermelijn, Branch Manager

SERVICE OFFICES

Ceylon	Colombo, Ceylon, c/o Messrs. Carson Cumberbatch & Co. Ltd. P.O. Box 24	Agents
Cuba	Apartment 1961, Habana 1	J. Varela, Manager for Cuba
Cyprus	2nd Floor, 6 Pantheon Bldg., 40 Evagoras Ave., Nicosia	J. T. Hannush, Resident Manager
Egypt	20 Sharia Adley Pacha, Cairo	
Haiti	Rue Ferrou, Port-au-Prince	Phipps & Co., Management Agent
Israel	7-9 Achad Haam St., Tel-Aviv	Mrs. M. Benzmira, Resident Manager
Rhodesia	7th Floor, Chancellor House, Jameson Ave., Salisbury	D. Findlater, Sec. for Rhodesia

MORTGAGE AND REAL ESTATE DEPARTMENT

Calgary, Alta. T2P OS2	Main Floor, Calgary House, 550-6th Ave., S.W.	D. J. Schweitzer, Manager
Edmonton 15, Alta.	810 Royal Bank Bldg., 10117 Jasper Ave.	B. K. French, Manager
Halifax, N.S.	615 Duke Tower, Scotia Square, 5251 Duke St.	J. N. Lucas, Manager
London, Ont.	Ste. 916, The Royal Bank Bldg., 383 Richmond St.	R. L. Young, Manager
ManuLife Centre	Room 222, 55 Bloor St. W., Toronto, Ont.	J. B. Canning, Project Manager
Montreal 101, Que.	Ste. 801, 612 St. James St. W.	C. Normandeau, Manager
Ottawa, Ont.	Ste. 613, Burnside Bldg., 151 Slater St.	L. V. McPherson, Manager
Toronto 110, Ont.	Ste. 1220, 120 Adelaide St. W.	P. C. Hopewell, Manager
Vancouver 1, B.C.	1415, Two Bentall Centre, 555 Burrard St.	H. M. Ballard, Manager
Winnipeg 1, Man.	Room 1009, 220 Portage Ave.	T. A. McFarlen, Manager
United Kingdom	Lawrence House 3/6 Trump Street, London EC2V 8JD	B. J. Wootton, Prop. Manager
Jamaica	2nd Floor, 34 Duke St., Kingston	K. G. Nelson, Acting Investm. Manager

charter and statement of company aims and purpose

The Manufacturers Life Insurance Company, in representing its participating policyowners, dedicates itself to the effective use of its organizational resources to design, market and administer those products and services for financial planning and protection that will meet the needs, expectations and aspirations of its customers at the lowest possible cost consistent with high quality standards.

The aims of the Company in serving the public provide a commitment:

to seek out and respond to the requirements of its customers by marketing those products and services which provide financial planning and protection for individuals, families, groups and businesses;

to develop and market products and services meeting high quality standards through well trained people striving continuously for excellence and to do this as economically as possible;

to invest the funds entrusted by its customers to provide optimal return consistent with sound investment policy and legal requirements;

to grow through continuing improvement of kinds and quality of products and services for present and potential customers and through increasing its number of customers;

to serve in those territories deemed feasible subject to suitable marketing, legislative and environmental conditions;

to be a good corporate citizen in all its actions and activities, while recognizing its responsibilities to its policyowners;

and to meet these aims the Company dedicates itself to provide:

maximum return to participating policyowners through the sound design and effective administration of all products and services with an assurance of optimal value for all costs incurred;

an organization responsive to the changing needs and desires of its markets;

opportunity for personal growth of those associated with the Company by providing a challenging environment in which personal objectives can be identified with Company objectives, and in which rewards are commensurate with performance;

a management committed to the effective use of all Company resources to realize the results inherent in this Charter.

This Charter establishes the criteria against which all objectives and planning of the Manufacturers Life Insurance Company will be formulated and tested.



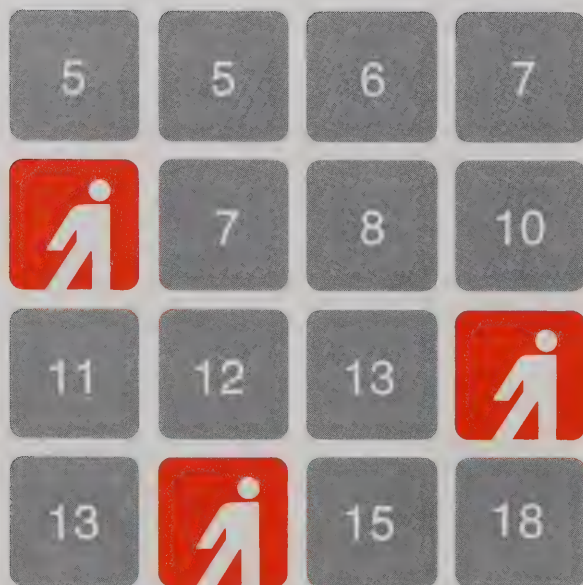


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E. S. Jackson, President

1972: a different mix of memories for each of us: triumphs, tragedies, milestones, horror and happiness.

For the world, words and concepts, places and events to become familiar with: Bangladesh, Viet Nam, acupuncture, letter bombs, Fischer vs. Spassky . . . Men on the moon twice in a year . . . terrorism in Munich, Ulster, Tel Aviv . . . Hopeful signs: a U.S.-Russian accord on arms, space and health; Canada-U.S. Great Lakes pollution control, increasing concern for the quality of life and of the environment . . . The problems that continue to plague us: hijacking, strikes, the increasing cost of living, drug abuse . . . Disasters affecting the lives of millions; earthquake, flood, famine, epidemic, fire, avalanche, travel accidents . . . Canada vs. Russian hockey. Elections. A couple rows a boat across the Pacific.

That was the world — 1972. A changing world. An uncertain world. A world in which the individual sought some roots, some stability, a measure of security, present and future for himself and those near to him.

It was a year when more and more people turned to Manufacturers Life for these basic needs . . . for financial security and protection . . . help with personal money management . . . for a reassuring certainty in a changing world.

A Look at our ManuLifestyle

The accompanying statements present a picture in financial terms of the progress of the Company during the past year, and its condition at December 31, 1972. They portray a sound and growing international company of substantial size (with assets in the top 20 of over 1800 companies based in North America.)

But figures alone don't give the complete picture — nor, indeed the most important part of the picture. Behind the figures are the people, policies, and events that have shaped our Company and the results of the year. Here, then, in summary is our . . . your ManuLifestyle, 1972.



Life Insurance, Disability Income and Annuities — 1972

ManuLife's main business is helping people to ensure that money will be available for them and for their dependents in times of need — current emergencies, retirement or death. There's a growing demand for our services which reflects increasing public confidence in our ability to do our basic job well.

We measure our progress in financial terms that seem quite impersonal. But the very essence of our business is personal service . . . person to person communication . . . response to the needs of the individual . . . ManuLife agents and the people they serve working out plans for financial protection and security.

We are pleased to report a 1972 gain of 16% in the number of new insurance and annuity arrangements.

In these times when continuing inflation is taken for granted a business increase expressed in dollars is to be expected. But a true and very gratifying measure of our success is the fact that we are serving many more people this year than last.

The amount of new life insurance purchased in 1972 was at an all-time high and amounted to \$1.6 billion of protection, 72.9% of it in individual policies, 27.1% in group insurance. Business was up substantially over 1971 in each of our four major spheres of operation: Canada, the United States, the United Kingdom and Fields Abroad. The United States continued to be our leading market for life insurance, accounting for over half of our 1972 sales.

Total ManuLife insurance protection on all our policyowners now amounts to \$10.6 billion of which \$7 billion is individual and \$3.6 group.

Disability Income protection (providing for monthly payments while a policyowner is sick or injured and unable to work), and which is offered only in the United States and Canada, increased substantially, but is still a small part of our total sales.

Annuities continue as one of our most important services, particularly in Canada and in the United

States. In 1972 they accounted for 38.9% of total ManuLife premium income of \$273.8 million. Immediate and deferred annuities on individuals accounted for 81.7% of the new annuity premiums in 1972 with the balance in group pension premiums. These figures do not include Segregated Fund plans on individuals or groups.

People use annuities to turn cash into current or future income for fixed periods, or more usually for life — income that cannot be outlived. We receive a large volume of appreciative mail from annuitants. Those young people who in larger numbers are quite rightfully seeking a meaningful or socially significant career would do well to examine this correspondence. They can find such a career at ManuLife.

Relatively new and rising rapidly as a part of our business are Segregated Fund contracts. The premiums go into separate investment funds, typically with more emphasis on common stocks. Over the period of years covered by the contracts, benefits depend on the overall investment results achieved by the securities that make up the Funds. Our investment managers have had a good year, on the whole



Agent/Client interview



Assembly of another new policy

outperforming the market.

Most of the growth is in Canada where we took over several very large group pensions linked to these funds. There has been good response to individual variable insurance and variable annuity policies linked to our ManuLife Equity Fund and our Diversified Investment Fund. But as most people are reluctant to tie their futures entirely to the fluctuations of the market, most of our total sales still are conventional policies where the insurance company takes the investment risk as well as the mortality risk.

A special phenomenon in the Canadian market has been the tremendous surge of purchases of life insurance and annuity policies to qualify for income tax reductions under government regulations which permit deduction of amounts paid into Registered Retirement Savings Plans. One new policy in three is being registered under the terms of Section 146 of the Canadian Income Tax Act.

Based on our experience at ManuLife in 1972, the urge to save and make provision for the future has been strong.

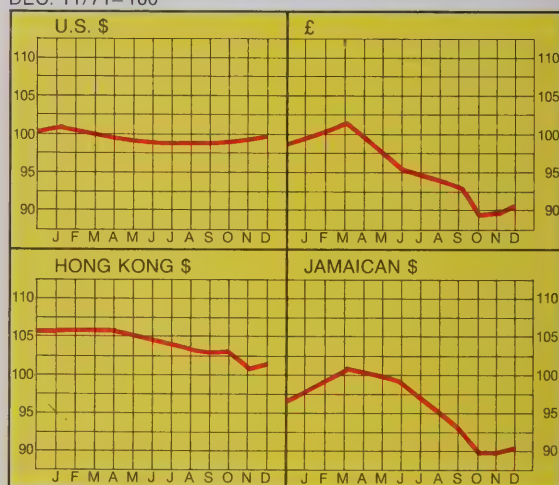
We fly many flags

We are proud of the veritable United Nations of races, colours, and creeds that make up the ManuLife family in Canada and around the world. Not long after we opened for business in Toronto, Canada in 1887, the Company offered its services outside Canada. We now operate in the United States (since 1903); the United Kingdom (since 1925); Bermuda (since 1893); Barbados (since 1894); Puerto Rico (since 1899); Jamaica (since 1894, but for the past year through a subsidiary company, Island Life); Hong Kong (since 1899); the Philippines (since 1902); Surinam (since 1912); South Africa (since 1903, but now merged with Liberty Life of South Africa). We are an international company, and intend to expand when and where desirable.

Being an international Company introduces complexity, stimulus and opportunity, since conditions

Exchange rate movements:
(relative to Canadian \$)

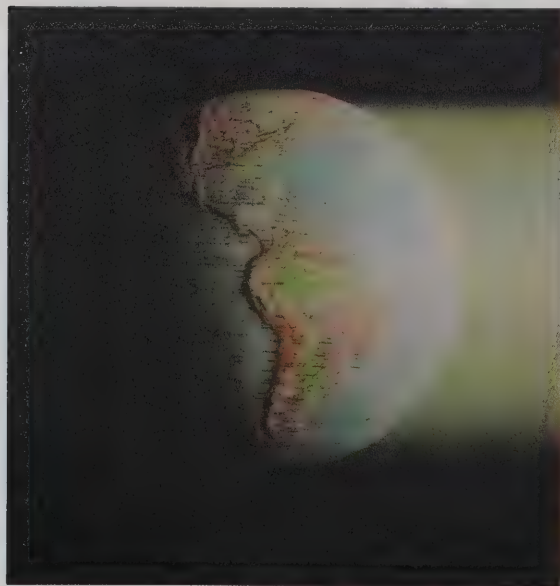
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vary from country to country. The accompanying diagrams of the 1972 exchange rate movements of various currencies show one of the complex and challenging considerations facing ManuLife management.

Operating around the world broadens our investment expertise, increases our exposure to the ideas and financial needs of a greater variety of people, and stimulates healthy competition between the people in different territories. It has advantages, too, for policyowners in a world in which everybody seems to be on the move. Every one of over 100 ManuLife offices is a service centre for any policyowner, no matter where his contract may have been purchased.

In the main, ManuLife people around the world are engaged and trained locally — a successful company practice initiated many years ago.





Man at the centre: ManuLife

Central to the Company wordmark that has become so well-known over the past year, is a stylized "man" figure. People in action — men and women at work — are the most important elements in ManuLife's progress.

Environment, in its broadest sense, is a critical factor in the effectiveness of men and women at work.

We believe that the best kind of place to work is one where you can respect and trust those you work with, where you can express your ideas and reactions freely in a receptive atmosphere, where you get a chance to shine at the things you know and do best, and are encouraged and aided in the development of skills, techniques and knowledge.

We believe that kind of a place generates productive ideas, effective workers and satisfying service. It's the kind of an atmosphere you create only if you really want it and are willing to work at it. We are working at it, with excellence as our standard.

During 1972, a top priority was our stress on communications and training programs and extension of employee involvement in decision making. Much of what we are doing is quite basic . . . one would term them "common sense" policies. However, while everyone pays lip service to these policies, relatively few large companies carry them through. They are easier said than done. This is what ManuLife is doing:

- We believe that people want to know what is expected of them and how well they are doing. We have told each member of the organization what is expected and there's a regular review of performance and progress. Advancement depends on results.
- Job openings in the Head Office are posted for the information of the employees and they are eligible to apply. Over 80 made advances in responsibility in 1972 as a result of job posting.
- Increased employee participation in the management of the company extends to all levels. Typical is the formation in 1972 of an employee task force to review and make recommendations on employee benefits (vacations, pensions, etc.). All



Employee performance interview



Employee benefit committee



Working it out together

employees were invited to submit ideas and comments, and new or revised company benefits will be based to a large degree on the expressed wishes or preferences of the staff.

- At the close of the year, the President provided a direct pipeline for signed or unsigned employee "questions or comments on any aspect of the company's operations that concern you" . . . for preparation of a special annual report to be distributed to each employee . . . "Dialogue: 1972".
- A new bi-weekly employee newspaper has effectively sparked free interchange of news and ideas.
- Participation in company affairs by our agents was an important feature of 1972. Meetings of managers' councils and agents' councils in our major markets helped ManuLife make product and service improvements.
- Videotape has been introduced for training of agents and employees. Videotape training makes it possible for our people to hear experts on a multitude of the aspects of life insurance counseling, life insurance products and management techniques. They could not otherwise be exposed to this expertise without very high travel and time costs. In its first full year as a producer of videotape training presentations ManuLife won the Best Technical Achievement Award of the Industrial Television Society Meeting in Chicago, the first Canadian winner.
- Record numbers of agents and employees were involved in special education and training courses in 1972 with immediate and long range benefits for themselves and the people they serve. Actuarial courses. Chartered Life Underwriter courses. Mortgage and Real Estate Appraisal courses. Investment courses. Life Office Management Courses. And a great range of special courses, such as communications skills, accountability management, management development, systems programming, effective reading, report writing, etc.

Over 300 different kinds of jobs make up the roster



Videotape studio

Trainer reviewing audio cassette





Agent training session

of ManuLife at work. Expanded and continuing training programs are vital to our existence and growth.

The nature of our business requires a broad range of professionals and specialists; Actuaries who make sure we set sound, competitive premium rates . . . Medical doctors who are concerned with fair and equitable assessment of the people seeking insurance . . . Lawyers concerned with the correctness and legality of contracts, documents, claims decisions and company activities in the various countries in which we operate . . . Accountants who make sure we comply with a broadening range of complex tax regulations and that our financial statements — like those in this book — present a complete and accurate picture of the financial condition of the Company . . . Investment managers and analysts who select our bond, stock, mortgage and real estate investments . . . Systems Specialists concerned with

effective work and information flow. And, of course, central to our basic function, is our corps of agents offering personal counsel on life insurance, disability income and annuities to satisfy a wide range of business and family needs.

Most of our sales are by our organization of ManuLife agents but independent insurance agents have long been very important to our development, particularly in the United States where they account for approximately half of our business. They come to ManuLife for special coverages that we offer, for solutions to underwriting problems, or for competitive rates and values. The expertise and special services our marketing officers develop in dealing with their requests in turn become available to our own career organization and help them stay tuned in to the sophisticated needs of the immense United States market.

Because relatively few people were hired during the Depression and war years, our company in common with many others, has had a generation gap, or certainly a "half-generation gap" in the ages of its staff. Thus, in recent years the company has had to face the challenge of filling the positions of senior executives who have reached retirement with well-qualified younger men and women. In 1972, for example, seven executive officers, each of whom had served the company for over 40 years, and collectively for some 300 years, retired after making a major contribution to ManuLife progress.

The Corporate "Cost of Living"

The cost of living is a major concern for any business enterprise. For ManuLife the effect of inflation on the costs of operation has been a challenging problem in recent years. Effective cost control is one of the essentials to profitability. As a mutual company, operating for the benefit of our policyowners, we are pleased to report that operating expenses which had been increasing at a rate considerably above normal in recent years were held to a lower than normal increase in 1972. At the same time, total income increased substantially.



The Manufacturers Life Insurance Company

Keeping our promises

In 1972, the owners of 75 individual policies and 275 group certificates died less than a year after their insurance was put in force. Many of these were relatively young people — a dramatic example of the uncertainty of life, and a powerful reason for the need of Life Insurance. In these circumstances, our promise to pay is a vital one.

During the year a total of \$170.5 million was paid to policyowners and beneficiaries under our life insurance, disability income and annuity contracts, twice the amount of benefits paid ten years ago.

Important, too, is our promise to deliver fast decisions and information, to give the kind of financial counsel that you would give family or friend, and to be a good corporate citizen. The way we select and train people, the methods and procedures we follow and the services we offer determine how well we do with these promises. We are committed to continued improvement.

Several recent developments:

... Exploring methods of improving service to policyowners in one area in which we operate we have appointed a Policyowner Service Officer with the responsibility to give personal service to policyowners. All branch employees are available to assist policyowners as usual but this experiment will help us determine the usefulness of a network of people with the same personal service responsibility.

... We have developed a communications network giving "next morning" information to branches in the United States and to the United Kingdom. Requests for special quotes, policy information, etc. are teletyped directly to the Toronto computer, returned by the computer over telephone lines at night when rates are low. Just a taste of what the future holds for ManuLife communications and service.

... We introduced for trial in the United States a new concept: inflation-linked insurance which pays increasing death benefits as the cost of living goes up.





Segment of "Four Seasons" mural

... We commissioned a group of murals by handicapped children of the Bloorview Hospital for display at the ManuLife Centre. Fees supported both the children and the hospital equipment fund.

... With a group of other companies we are participating in a Student Employment Program for a community which has a high ratio of drop outs from school. The program is helping teenagers to stay in school longer and hopefully to make a better transition to permanent employment at graduation.

... Total exposure to our educational film "the Office of the Prime Minister" by television and special audiences passed one million last year (not including the large number of children who see it in their schools). We believe this hour-long study of Canada's highest elected office contributes to an understanding of government.

... We continue to support medical research, especially our longstanding support of the Canadian Diabetic Association.

... We introduced last year a Political Participation program for the encouragement of employees who seek election to government office.

... We launched our Pension Investment Plan which gives small employer-employee groups in Canada the type of segregated investment fund service usually available only to major firms.

... We have begun development for the United States market of a Capital Needs Analysis service to expand the client-need centered services already available: Financial Planning Service, Estate Co-Ordination Service, Business Planning Service.

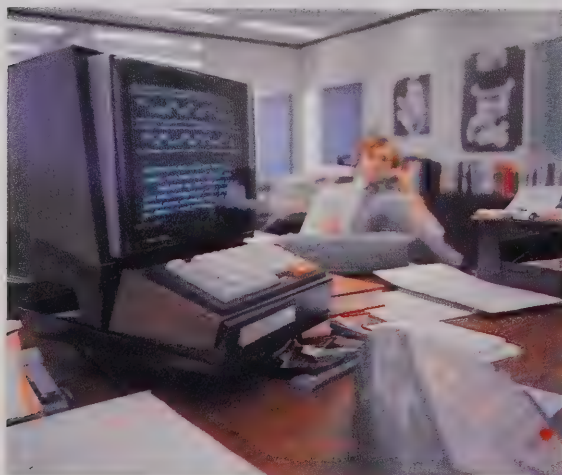


Sir John A. Macdonald, first Prime Minister of Canada, first President of ManuLife

Premium dollars: Working dollars

Money at work in communities around the world; ManuLife's assets totalled \$2.3 billion at December 31, 1972; up 11% over the amount at the end of 1971 excluding South Africa. Held primarily to meet future obligations to policyowners, these funds are invested to help keep down the cost of insurance and annuity benefits. For example, life insurance premium rates would be as much as 30% higher without the contribution made by investments.

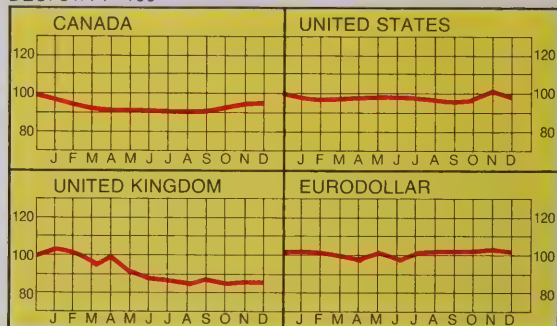
In last year's Annual Report we explained our practice of valuing ManuLife's invested assets conservatively, using, in effect, the net book profit on sale of securities to write down the value of the assets. The result has been that generally the market value of our assets has been greater than their book value. The wisdom of the practice has been demonstrated both when declining market values wiped out this excess, and when improving market values and effective investment management have reversed this



Investment manager at work

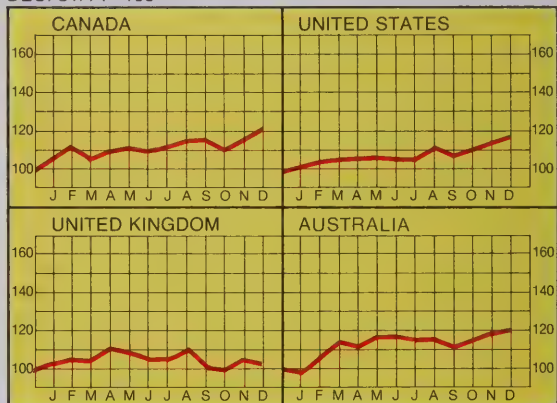
Bond price movements:

DEC. 31/71 = 100



Stock price movements:

DEC. 31/71 = 100



situation. By the end of 1971, for example, market values were in excess of book values and by the end of 1972 the excess had reached an all time high.

Although less than 5% of our total assets, this extra margin is important because it allows us to broaden our selection of investments which can improve our potential return. It also provides protection against adverse market fluctuations.

The net rate of interest earned by ManuLife decreased from 6.42% for 1971 to 6.34% for 1972. In a year of effective investment results the decline requires explanation. Reflecting deliberate investment policy, in our new investments we have been favouring low-yielding common stocks, which add to our gains in market value to the detriment of interest earnings.



We have also increased our investment in major real estate projects where we have forsaken immediate high yields in favour of future growth. In addition, a high proportion of our investment in Canada last year was in short-term securities selected to increase our flexibility when market conditions changed but contributing to our lower overall interest earnings.

Indicative of the flexibility inherent in our investment philosophy is the fact that for every dollar added to our securities portfolio during 1972 nine dollars of securities were bought or sold. We trade to this high degree to keep abreast of market conditions and to improve the performance of our portfolio.

The accompanying diagrams trace bond and stock price movements during 1972 in several parts of the world. Against this background, our investment managers had a good year, generally outperforming the market.

We continue to increase our emphasis on real estate, because of the long range potential. Our role as landlord involves us in considerable responsibilities beyond putting up a building and collecting rents. Our policy is to be a good landlord and to make a definite contribution to the community environment — while realizing the optimum return from the investment. This leads us into some rather diverse projects.

In Toronto, for example, we are completing our most ambitious direct investment to date: ManuLife Centre — a \$50 million apartment-office-shopping centre in the heart of the city, carefully planned to be people-centred and architecturally attractive. At the same time, little more than a mile away in the city's inner core, a more modest but equally important ManuLife project is underway: a building that will offer low-cost, single-person apartment accommodation. Designed to meet a growing social need, this concept has been described in the press as "an alternative to rooming house life" that "planners, politicians and developers should be studying with more than usual interest."



ManuLife Centre under construction

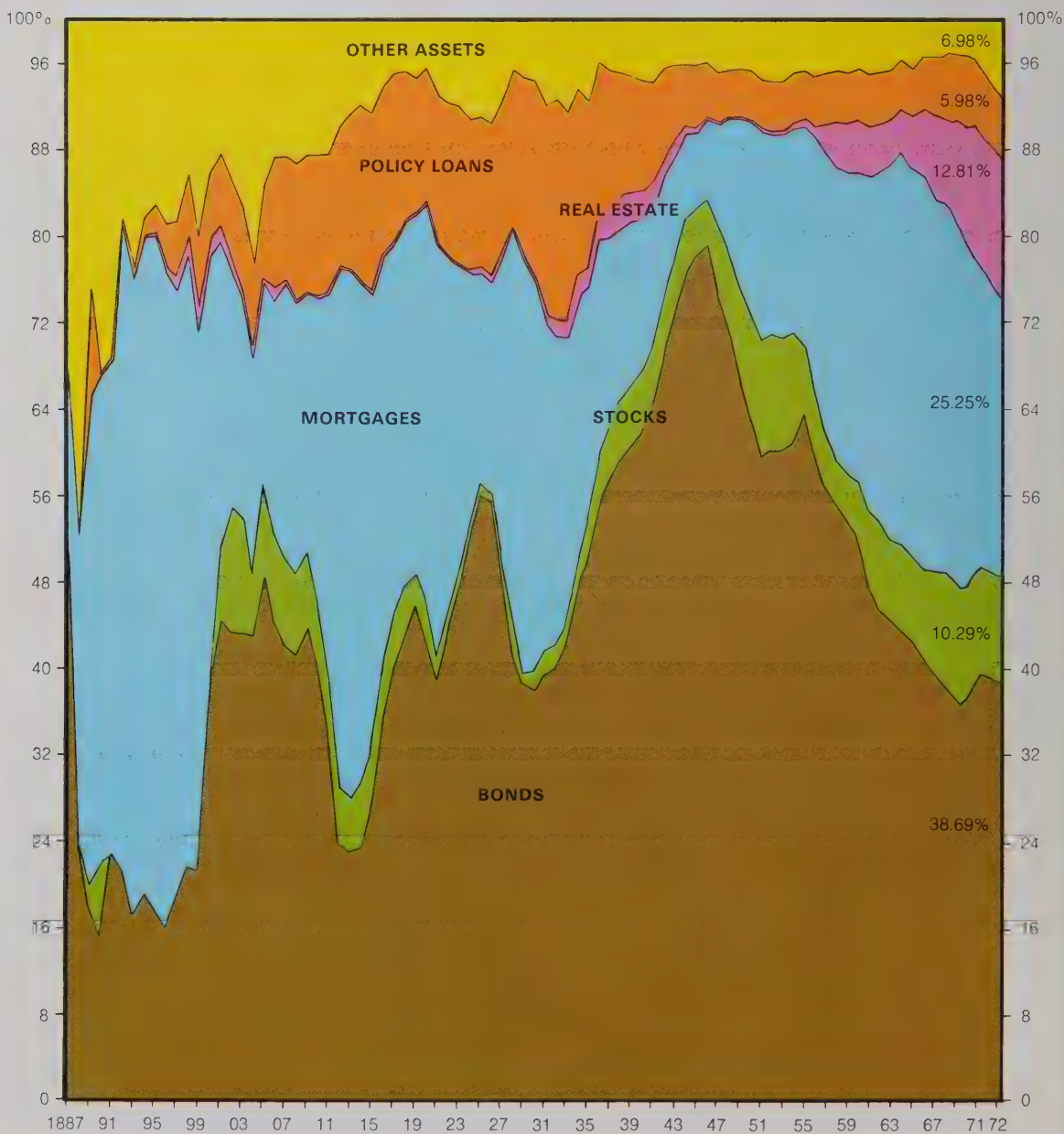
Apartments for "singles"; an alternative to rooming houses.



1887-1972

PERCENTAGE COMPOSITION OF
THE TOTAL ASSETS OF **THE MANUFACTURERS LIFE INSURANCE COMPANY**

- POLICY LOANS
- MORTGAGES
- STOCKS
- OTHER ASSETS
- REAL ESTATE
- BONDS





President E. S. Jackson, with portraits of Sir John A. MacDonald, first ManuLife President, and A. T. Seedhouse, current Chairman of the Board.

1973 - 1974 - 1975 - 1976 - 1977

The future begins today and is not something that happens on its own; we shape it ourselves, partly by what we do, partly by our point of view.

Since some of the new ManuLife insurance being delivered to clients today will still be paying benefits well into the 21st Century we tend to be very future-conscious. We have been entrusted with millions of dollars of savings and protection by individuals and groups who want the best possible value for their money in terms of counsel, products and service.

Our clients will supply the will for financial planning, the will to protect their families and employees, and the will to give up some of today's income for tomorrow. We will supply sound, imaginative and

effective financial planning and protection, adapting the complex nature of our product to the individual needs of each client.

If doing this means new services and products, we will design them.

If it means new training courses for our employees, managers or agents, we will provide them.

If it means re-organizing facilities, methods and procedures, we will change.

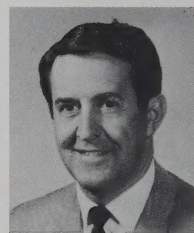
If it means correcting mistakes, we will face up to reality.

We are proud to be a good life insurance company. We aim to be the best.

President E. Sydney Jackson is glad to receive your communications, whatever your relationship to the company, and takes action on any information or ideas that help us improve our service.



M. E. Rosenberg
Miami



D. D. Reaume, CLU
Detroit Uptown



R. A. Skinner, CLU
Orange County



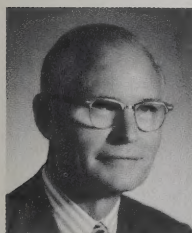
F. M. Jimenez
The Philippines



J. Y. McFaull
Saskatoon

International leaders group 1972

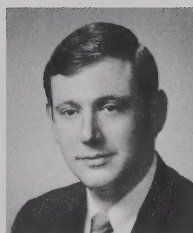
the top twenty-five Life Underwriters
in the Company
for the year 1972



J. H. Peters, CLU
Toronto York



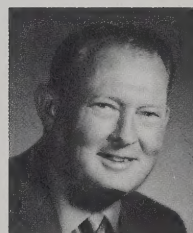
D. K. Dombey, CLU
Phoenix



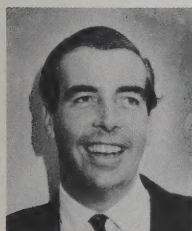
M. G. Benedek
Detroit Uptown



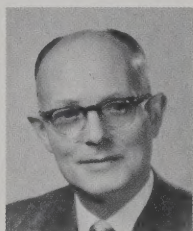
N. L. Motwani
Hong Kong



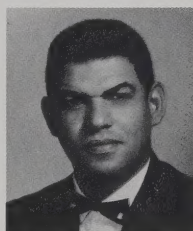
W. F. Arnold
Phoenix



J. T. Poynton
City



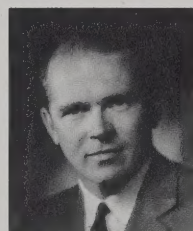
P. A. Stradling
Vancouver



K. K. Phillibert
Jamaica



R. Wilson, CLU
Cleveland



D. H. Crawford, CLU
Toronto Central



J. R. Tardif
Sherbrooke



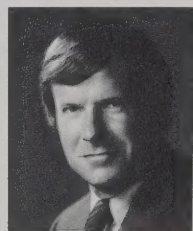
J. E. Gillespie
Toronto Bay



C. A. Steffen
Grand Rapids



G. Fabi
Prince George



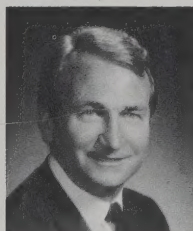
L. H. Parker, CLU
Orange County



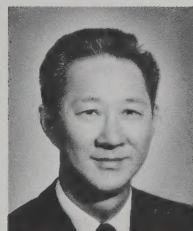
H. L. Warren, CLU
Winnipeg East



D. N. Mouat
Calgary



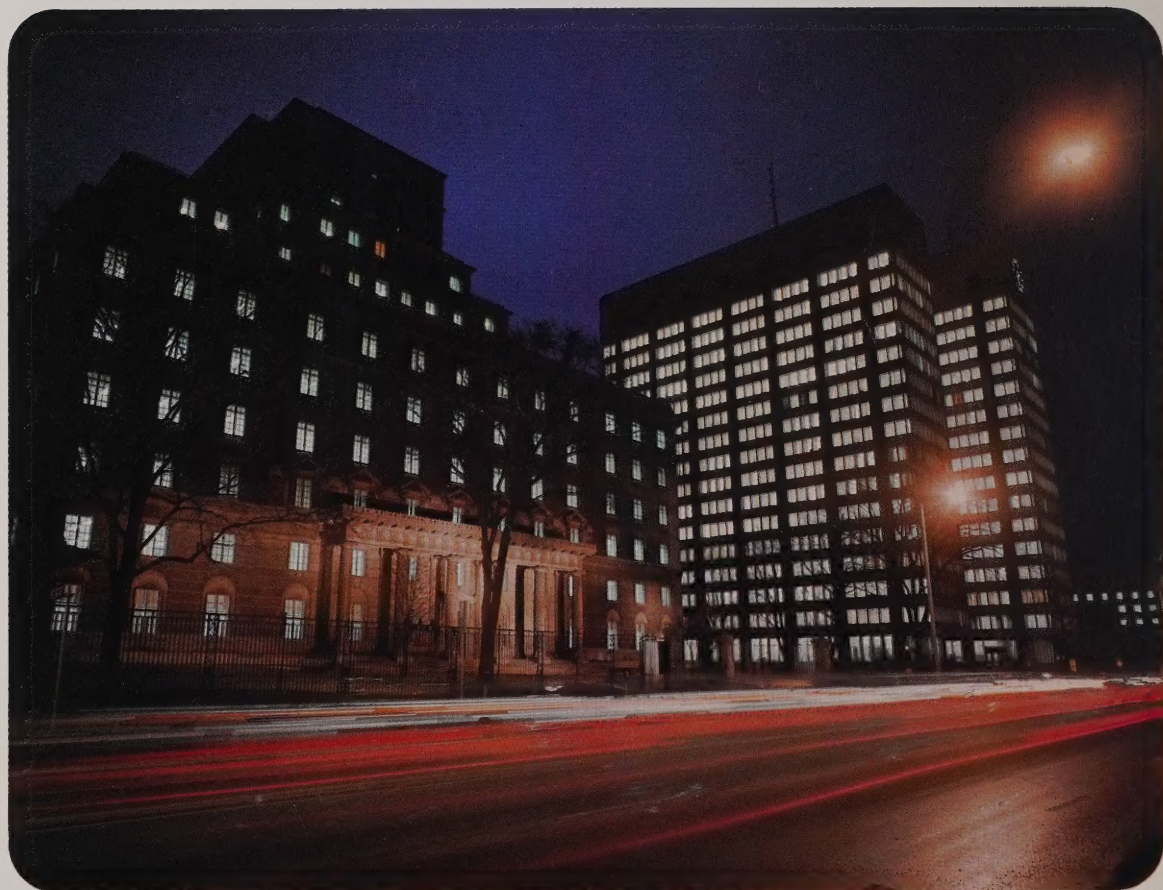
L. R. Johnson
Detroit



K. H. Choy
Hawaii



P. B. Dialani
The Philippines



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ManuLife

The Manufacturers Life Insurance Company